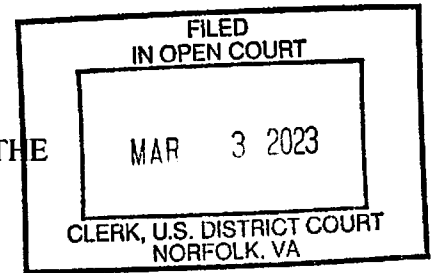


IN THE UNITED STATES DISTRICT COURT FOR THE
EASTERN DISTRICT OF VIRGINIA
Norfolk Division



UNITED STATES OF AMERICA

v.

SI LIU,

Defendant.

Criminal No. 2:22CR108

STATEMENT OF FACTS

The parties stipulate that the allegations in Count 3 of the Indictment and the following facts are true and correct, and that had the matter gone to trial the United States would have proven them beyond a reasonable doubt with competent, admissible evidence:

1. From in or about January 2021, and continuing up to and including May 4, 2022, YANG GAO ("GAO"), YE WANG ("WANG"), and SI LIU ("LIU") conspired and agreed together and with each other to launder monetary instruments, that is, to knowingly conduct and attempt to conduct financial transactions affecting interstate and foreign commerce, which transactions involved the proceeds of specified unlawful activity, that is, to use facilities in interstate commerce to promote prostitution, in violation of Title 18, United States Code, Sections 1952(a)(3) and 2, knowing that the transactions were designed in whole and in part to conceal and disguise the nature, location, source, ownership, and control of the proceeds of specified unlawful activity, and that while conducting and attempting to conduct such financial transactions, and knowing that the property involved in the financial transactions represented the proceeds of some form of unlawful activity.

2. GAO and LIU are married.

3. The object of the conspiracy was for GAO, WANG, LIU and others to move and

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conceal the proceeds of a conspiracy and to promote prostitution.

4. During and in furtherance of the conspiracy, GAO, WANG, and LIU worked as operators or managers of illicit, unregistered massage parlors located in Virginia Beach and Williamsburg, which derived revenues from the prostitution of female employees who engaged in sexual acts for money. GAO managed the day-to-day operations of the parlors, including collecting money obtained via commercial sex. GAO also provided transportation to women engaged in commercial sex and maintained the facilities, unlicensed massage parlors, utilized for commercial sex. WANG assisted GAO in the operation of the illicit commercial sex business, including transporting women engaged in commercial sex, bringing supplies and maintaining the massage parlors, and facilitating payments to women engaged in commercial sex. LIU helped facilitate the exploitation of women engaged in commercial sex, collected proceeds from the illegal activity, managed the web-based advertising of the illicit massage parlors, and encouraged women to perform sex acts by providing condoms and offering financial incentives.

5. Women of Asian ethnic descent were recruited online to work for GAO, WANG, and LIU. Female employees within the massage parlors performed sex acts for “johns,” or customers, in exchange for cash payments. The co-conspirators utilized skipthegames.com to advertise and facilitate commercial sex; along with a network of co-conspirator phone operators, money collectors, and violent enforcers. Skipthegames.com is known to law enforcement as a website utilized to advertise and promote commercial sex.

6. LIU and her co-conspirators used “operator numbers” to promote prostitution. An “operator number” is a phone number used by the organization to schedule and facilitate commercial sex appointments. A commercial sex customer can call or text the operator, who will direct the customer on where to go to engage in a commercial sex appointment.

7. The co-conspirators used multiple spa locations within the Eastern District of Virginia as sites for women to engage in prostitution. The initial spa locations were: (1) a spa located on Princess Anne Road in Virginia Beach; (2) a spa located on Euclid Road in Virginia Beach; (3) and a spa located on Shell Road in Virginia Beach. As the investigation progressed, agents subsequently located two additional illicit spa locations: (1) a spa located on Jamestown Road in Williamsburg; and (2) a spa located on Southgate Avenue in Virginia Beach. The unlicensed “business” names associated to these spa locations sometimes varied and changed throughout the investigation.

8. From January 11, 2022 through February 4, 2022, GAO, WANG, and LIU, did knowingly use and cause to be used, a facility in interstate and foreign commerce, namely the Internet, with the intent to promote, manage, establish, and carry on, and to facilitate the promotion, management, establishment, and carrying on of an unlawful activity, that is Receiving Money from Prostitution, in violation of Title 18.2 of the Code of the Commonwealth of Virginia, Section 357, and Aiding Prostitution, in violation of Title 18.2 of the Code of the Commonwealth of Virginia, Section 348, and thereafter performed and attempted to perform an act to promote, manage, establish, and carry on, and to facilitate the promotion, management, establishment, and carrying on of such unlawful activity. LIU posted advertisements on skipthegames.com, including an advertisement which displayed the following: images of scantily clothed Asian females in provocative positions; and highlights services including, but not limited to: “Deep throat,” “Face sitting,” “Oral – without condom (BBBJ).” Detectives observed that this ad was posted on multiple occasions on skipthegames.com including, but not limited to; both January 11, 2022 at 11:56 AM; and January 13, 2022 at 9:38 AM. This advertisement listed a contact phone number of (xxx) xxx-9817. The contact phone number (xxx) xxx-9817 was

listed on multiple commercial sex advertisements throughout the course of the conspiracy.

9. During a January 26, 2022, surveillance operation, members of the investigative team observed Si LIU travel to the T-Mobile store located in Virginia Beach. The investigators observed that Si LIU entered the store and remained inside for approximately ten minutes. Investigators subsequently issued a subpoena for transaction and video surveillance footage from that date and time period, the results of which later confirmed LIU making a payment towards two prepaid lines, one of which was the above-referenced operator number, (xxx) xxx-9817.

10. GAO, WANG, and LIU provided essential services, food and water for the women engaged in prostitution, who called GAO, WANG, and LIU bosses. The women engaged in prostitution at these massage parlors had no known local ties to the community and traveled with the assistance of a larger enterprise based out of Flushing, New York.

11. GAO, WANG, and LIU split the prostitution proceeds with the women engaged in prostitution. GAO, WANG, and LIU, and others traveled to the massage parlors located in Virginia Beach and Williamsburg to collect prostitution proceeds, and then deposited a percentage of profits obtained from using facilities in interstate and foreign commerce to promote prostitution, in violation of Title 18, United States Code, Sections 1952(a)(3) and 2, into various bank accounts, including accounts held at Navy Federal Credit Union (NFCU) and Bank of America.

12. During the course of the conspiracy, GAO, WANG, and LIU maintained bulk cash proceeds marked with the names or monikers of women paid to perform sex acts at the massage parlors at their personal residences. It was further part of the conspiracy that GAO, WANG, and LIU deposited the cash into their own personal bank accounts and the accounts of others.

13. GAO had a joint deposit (NFCU-0185) account and savings (NFCU-6633) account at NFCU with LIU. LIU had an individual deposit (NFCU-1794) and savings (NFCU-3813) account at NFCU. GAO had an individual deposit account at Bank of America (BOA-6730). WANG maintained a joint deposit account at J.P. Morgan Chase Bank (JPMC-6267) with his wife and an individual deposit account (BoA-0973) at Bank of America.

14. The defendants routinely deposited proceeds of the specified unlawful activities into the accounts.

15. YANG GAO and SI LIU would direct women working at the massage parlors and others, including relatives, to make cash deposits into GAO and LIU's accounts or into third-party bank accounts.

16. GAO, LIU and WANG made and caused to be made the following financial transactions, among others:

Date	Amount	Description
1/20/2021	\$10,000	GAO deposited a \$10,000 check into NFCU-6633.
1/21/2021	\$20,000	GAO deposited a \$20,000 cashier's check into NFCU-6633.
7/21/2021	\$5,000	GAO deposited a \$5,000 cash into NFCU-6633.
7/21/2021	\$4,000	LIU deposited \$4,000 cash into NFCU-3813.
2/8/2022	\$5,000	GAO deposited \$5,000 cash into NFCU-0185.
3/2/2022	\$4,000	GAO deposited a \$4,000 check from WANG's account, BOA-0973, into NFCU-6633.
3/2/2022	\$10,000	LIU deposited \$10,000 cash into NFCU-3813.
2/28/2022	\$5,000	WANG caused a \$5,000 check to be deposited by GAO into NFCU-6633.
2/28/2022	\$3,000	WANG caused a \$3,000 check to be deposited by

		GAO from an account shared with his wife, T.C., JPMC-6267, into NFCU-6633.
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17. Money was transferred to the New York-based enterprise through a large web of individuals known and unknown through cash deliveries from the Eastern District of Virginia to the Flushing, New York area and through electronic means, including mobile banking. Money was paid to the co-conspirators and phone operators directly from the women working in the parlors and from members of the larger enterprise in the form of checks and electronic transfers to the operators.

18. Through undercover operations and analysis of prostitution/massage parlor ads obtained from the website skipthegames.com, agents identified two specific Internet Protocol (IP) addresses suspected of involvement in this case. Each of the IP addresses were respectively used to post the massage parlor ads previously outlined herein on skipthegames.com. Investigators identified that these ads each listed one of the two "operator" contact telephone numbers, either (xxx) xxx-6469 or (xxx) xxx-9817, which investigators utilized to contact members of the organization to schedule illicit massage appointments. These appointments were confirmed as prostitution dates through undercover operations.

19. Subpoenas were issued to Cox and Verizon for account information on the respective IP addresses. Verizon responded to one of the subpoenas and provided that target IP address 108.39.125.3 listed a customer name of Ye WANG at WANG's residential address in Virginia Beach, Virginia.

20. Cox Communications Inc. responded and outlined that target IP address 72.218.7.213 listed a customer name of Yang GAO at GAO and LIU's residential address in Norfolk, Virginia. Records list a home phone number of (xxx) xxx-9499; and business phone

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number of (xxx) xxx-8164. Records further outlined that the target IP address 72.218.7.213 has been assigned and leased to the aforementioned account and address since August 10, 2020.

21. On May 4, 2022, an enforcement operation was conducted in the Eastern District of Virginia. Virginia Beach Police Department, along with Homeland Security Investigations agents and federal Task Force Officers executed seven state search warrants at three residences and four illicit spas locations, along with state search warrants on target bank accounts at Bank of America and Navy Federal Credit Union.

22. Regarding the search of Ye WANG's residence located in Virginia Beach; officers of the Virginia Beach Police Department executed the search warrant and detained WANG and his wife. WANG and his wife exited the residence and were taken into custody without incident. At the time of his arrest, WANG was found to be in possession of the cellular telephone assigned call number (xxx) xxx-1333. Agents noted that this is the number associated to the operator phone for the Jamestown Road Spa. Pursuant to a search of the residence, agents located, amongst other things; banking records, approximately \$32,000 in U.S. Currency, some of which was wrapped and labeled with various dollar amounts and names or monikers believed to correspond to workers/victims at one or more of the spa locations, a computer, money counter, a large shipping box filled with condoms with GAO's name and address on an affixed shipping label, as well as multiple cellular telephones. Agents called the number associated with Ye WANG, (xxx) xxx-5690, and observed the phone ringing within the master bedroom. Officers located another phone within the master bedroom closet, which agents called and observed ringing as well. That phone was assigned call number (xxx) xxx-6469; a number being geolocated pursuant to a state search warrant, which was identified as one of the "operator" lines utilized during one or more undercover operations to set up an appointment for illicit massage.

Additionally, a 2019 Infinity QX6 was seized from WANG's residence.

23. Regarding the search of GAO and LIU's residence, located in Norfolk, Virginia; officers of the Virginia Beach Police Department arrested GAO and LIU upon exiting the residence and departing in a vehicle. Officers also detained LIU's mother and located the couple's juvenile son, who was also inside the vehicle at the time of their arrest. GAO was found to be in possession of the cellular telephone assigned call number (xxx) xxx-9499. Pursuant to a search of the residence, agents located, amongst other things; financial documents, leasing agreements for the illicit spa locations, approximately \$57,000 in U.S. Currency, some of which was wrapped and labeled with various dollar amounts and at least one name or moniker which corresponded to a worker/victim at the spa locations; clothing matching the description of the shirt worn by GAO during one of the alleged robbery incidents; a money counter, and multiple cellular telephones. Another phone, assigned call number (xxx) xxx-9817; a number being geolocated pursuant to a state search warrant, which was identified as one of the "operator" lines utilized during one or more undercover operations to set up an appointment for illicit massage, was also located within the house. Three vehicles were seized from GAO's residence including: a 2019 Toyota Sienna; a 2013 Lexus RX; as well as a 2018 Subaru WRX STI.

24. A search of GAO's second residence, located at in Virginia Beach, revealed that the home was being renovated and largely empty. Pursuant to the searches of the illicit massage parlors, located at 1309 Jamestown Road, Williamsburg; 241 Southgate Avenue, Virginia Beach; 4722 Princess Anne Road, Virginia Beach; and 4801 Shell Road, Virginia Beach; agents located, amongst other things, multiple cellular telephones, documents, condoms, and other items indicative of commercial sex at the various locations. Further, agents located

Chinese National witnesses at each of the aforementioned spa locations.

25. Virginia Beach and Williamsburg are located within the Eastern District of Virginia.


26. The defendant stipulates and agrees that her participation in the events described was undertaken knowingly, intentionally, and unlawfully and not as a result of an accident, mistake, or other innocent reason.

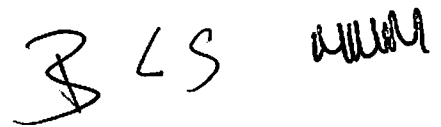
27. The defendant acknowledges that the foregoing statement of facts includes those facts necessary to support the plea agreement between the defendant and the United States. It does not describe each and every fact known to the defendant or the United States, and it is not intended to be a full enumeration of all of the facts surrounding the defendant's case, nor does it identify all of the persons with whom the defendant may have engaged in illegal activities.

Respectfully submitted,

JESSICA D. ABER
UNITED STATES ATTORNEY

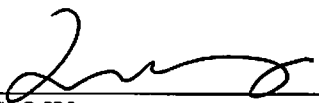
By: 
Megan M. Montoya
Assistant United States Attorney

By: 
FOR Matthew J. Heck
Assistant United States Attorney




UNITED STATES V. SI LIU, 2:22cr108

After consulting with my attorney and pursuant to the plea agreement entered into this day between the defendant, SI LIU, and the United States, I hereby stipulate that the above Statement of Facts is true and accurate, and that had the matter proceeded to trial, the United States would have proved the same beyond a reasonable doubt.



SI LIU

I am SI LIU's attorney. I have carefully reviewed the above Statement of Facts with her. To my knowledge, her decision to stipulate to these facts is an informed and voluntary one.



James Orlando Broccoletti, Esq.
Counsel for the Defendant

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